Revealed: How Pradhan Mantri Mudra Yojana is being used to rob the poor in Madhya Pradesh

Prime Minister Narendra Modi's ambitious Pradhan Mantri Mudra Yojana that aims to 'fund the unfunded' is being used to rob the poor in Madhya Pradesh.



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PM Modi launching the Pradhan Mantri Mudra Yojana. (Photo courtesy: pmjandhanyojana site)

Prime Minister Narendra Modi's ambitious Pradhan Mantri Mudra Yojana that aims to 'fund the unfunded' is being used to rob the poor in Madhya Pradesh. Touts, who have fanned across the state, are coercing illiterate ineligible rural people to apply for loans. An India Today investigation reveals how unsuspecting rural people are being made to shell out money in the name of 'processing fees' for loans which they will never get.

The stated aim of the ambitious Pradhan Mantri Mudra Yojana that was launched in April 2015 was to meet the financial needs of non-corporate small business units. All non-farming micro businesses that generate income and require financial aid up to Rs 10 lakh are eligible for loans under this scheme and no processing fee is to be paid. One of the prerequisites for availing a loan under this scheme is to have a comprehensive business plans. But, in Madhya Pradesh people are being fleeced in the name of providing loans.

India Today tracked down people who have been duped into filling forms and supplying documents for which they have been charged a processing fees. According to 54-year-old Ganesh Ram Kushwaha, a labourer, of village Kla Khedi in Ganj Basoda Tehsil of Vidisha district, he was approached by a tout saying he could get a loan of Rs 3 lakh for him under the Mudra Yojna provided he paid an initial fee of Rs 120. The tout gave him a receipt which has Pradhan Mantri Mudra Yojana and Udyog Adhar card written in bold at the top. The receipt is in possession of India Today.

"They took Rs 120 from me saying they will get a loan of Rs three lakh for a business for me. I could do any business, but I don't have any business. The man who took the money has not returned since," Ganesh Ram said.

Ganesh Ram is not the only one who has been preyed upon by the touts. India Today tracked villagers from across all the 10 tehsils of Vidisha who had been cheated like him.

"My brother Moti Singh was cheated. They promised loan of Rs two to three lakh. we don't have any business," Kesri Singh, who is a farmer, told India Today.

India Today next tracked the touts who had approached the villagers. They disclosed to us that they had taken papers of around 10,000 people from Vidisha alone. And they settled for whatever fees the villagers gave them. The touts also showed us publicity material that they distributed amongst the

villagers. One such pamphlet had Uttar Pradesh Finance Management Development Corporation written on it. The touts too complained that they were cheated into cheating the villagers.

"They invited us for a job. We were unemployed, they promised us Rs 10,000 per month along with Rs 100 for petrol per day. They gave us the forms and receipt books and we approached people. When we came to know that this was a fraud, we stopped it. People are approaching us, but we have done nothing wrong," Bhagwan Singh Gurjar, who asked villagers to fill the forms, told India Today.

The touts gave the address of the man who had hired them and he operates from a 100 square feet shop in Vidisha. The shop has the banner with Prime Minister Modi's picture 'Pradhan Mantri Mudra Yojana' written in bold. The banner also has the telephone number of Vikas Rajput, the man who is running the show.

We tried getting in touch with Vikas, but he was evasive. On phone he told us that a he was hired by a Luknow-based company and that he was an authorised dealer. He also denied taking any money and claimed he was making udyog Adhar cards for 63 government schemes.

The Mudra Yojana is said to have benefited over six crore people who till now were outside the ambit of institutional finance. Who are these six crore beneficiaries? The government will have all the data on this, but on the ground poor people are being cheated in the name of the scheme that was actually designed to help them.